

am- misc.

AMERICA

AND EUROPE

By
BISHOP EDGAR BLAKE



AMERICA AND EUROPE

By
BISHOP EDGAR BLAKE
PARIS, FRANCE



THE ABINGDON PRESS
NEW YORK CINCINNATI

Rivers—every man, woman, and child in New England, New York, Pennsylvania, New Jersey, Delaware, Maryland, Ohio, Indiana and Illinois, Michigan and Wisconsin—blotted out of existence, you can imagine something of the price in life which Europe and the world paid for its Roman holiday.

Europe came out of the war battered and broken, its industries disorganized, its commerce destroyed, and many of its institutions overthrown. The morale of its people was shattered. Its whole political, social, and moral fabric was ripped and torn. It came out of the war bankrupt in money and bankrupt in men, a weltering chaos of financial, economic, and social confusion. Europe was not only shaken to its foundations, but shaken from its foundations. For four and a half years it has been making a perfectly heroic effort to find its way back to order and stability but without success. A generation at least, possibly three, will be required before Europe can make its way back to "normalcy." It is a stricken continent. Its life is at stake and it is fighting magnificently to save it. Europe is struggling to escape disaster, and it needs the sympathy and patience, the encouragement and support of America. We must not stand aside and scoff at our stricken

neighbors across the sea. We must step in and help them to their feet again.

Let us look at certain facts.

More than one half of the present nations of Europe are new in fact or form. They were born since the war and out of the war. They are facing the problem of national existence for the first time or facing it under such changed forms of government as to make their problem practically a new one. It is difficult to establish a new state under the most favorable conditions, but to establish it when industry is disorganized, when commerce is destroyed, when credit is gone, when society is disintegrating, is a well-nigh impossible task. Every new nation in Europe is facing odds that only the greatest courage and the wisest statesmanship can overcome. There is hardly one of them that has a sufficient foundation of stability and security to stand upon in its fight for national existence, yet in spite of seemingly insurmountable difficulties they are struggling heroically to find a way to freedom.

Every nation that went into the war, save one, came out of it bankrupt. National debts were multiplied from five to fifty-one times. France came out of the war with a national debt of fifty-three billions of dollars, an

amount three billions greater than the total estimated wealth of the French people before the war began. If the national debt of the United States bore the same relation to its national wealth that the national debt of France bears to its national wealth, we would now be facing a national debt of approximately three hundred and eighteen billions of dollars. It is only necessary to state the financial burdens of some of these European countries in this comparative fashion to appreciate the load they are carrying.

In order to meet the interest on their national debts and the other expenses of their governments, the people are being taxed from five to fifteen times above what they were before the war. Every average family of five in Great Britain is contributing approximately \$500 a year to the expenses of the government. France is taking by direct and indirect taxation an amount equal to forty per cent of the total pre-war income to the French people in order to pay the interest on her national debt and carry the ordinary expenses of the government. Some time ago one of our United States senators stated that our national, State, and local governments were taking sixteen per cent of the earnings of the American people. He declared that taxation

had become extortion and that every industry, enterprise, and business was being crushed under what he called an intolerable burden. If the American people with their unlimited resources are being crushed under the burden of taxation that takes only sixteen per cent of their income, what shall we say of the French people, forty per cent of whose pre-war earnings are now consumed by the national government.

In spite of the burden of taxation which governments are imposing upon their peoples, there is hardly a balanced budget in Europe. National expenditures are far beyond national incomes. Debts are piling up on debts in appalling proportions and with astonishing rapidity. The national debt of France has increased by approximately one hundred billion francs since the war closed and is still mounting. Austria's deficit for the current year is reported at four trillion crowns. Russia's budget for 1923 is estimated at five hundred and eighty trillion roubles. Such sums have become so fantastic in their proportions that they have lost the semblance of reality.

There are only two ways by which nations can cover the deficits in their national budgets—by inflating their credits, or inflating their currencies. France has elected the former

method and is covering her unbalanced budget by borrowings. As a result her credit is strained to the breaking point. Unfortunately for many of the countries, they have no credit to inflate. Therefore their only recourse is to the printing press. Such nations are issuing paper money with nothing behind it but the promise of an unstable government to pay. The printing press is both the salvation and the curse of Europe. While it meets an immediate emergency it makes a future one inevitable. The more money they print, the more they have to print. The faster they issue their currency, the more rapidly it depreciates. The more they have of it, the less it is worth. The currency situation in Europe has reached such proportions that Mr. Hoover has cleverly said that Europe has ceased printing paper money; it is now publishing it. Germany issued 300,000,000,000 new paper marks in November alone and is still printing. In order to keep pace with its demands, the Soviet government has decreed that all notes issued in 1922 shall have a value ten thousand times that of all previous issues. By government fiat one rouble became ten thousand and one hundred roubles became a million. As a result of inflation many European currencies have lost all semblances of their

former values. A thousand-mark note that formerly brought \$200 in the financial markets of the world is not worth fifteen cents to-day. Before the war five Austrian crowns would have purchased an American dollar; to-day it requires one thousand crowns to purchase an American cent. Eight years ago a million Russian roubles were worth approximately a half million American dollars; to-day they are worth three American cents.

One cannot face facts like the foregoing without the conviction coming upon him that Europe is in danger of financial, economic, and social collapse. Unless a way can be found for the deflation and stabilization of currencies, for the reduction of taxes, and the rehabilitation of industry, commerce and credit, Europe is heading straight for disaster.

GERMANY

Germany is the danger spot in Europe. It is the key to reconstruction or destruction. After the peace was signed Germany started out to capture the markets of the world again. To do it she deliberately debased her currency to secure the advantage that comes in production costs from cheap money. By her longer hours of labor and her cheaper cur-

rency she was able to undersell the world. For a time her industries were run at top speed, every market was flooded with German goods; and to the superficial observer Germany appeared to be the most prosperous of the nations in Europe. But in order to keep her industries going she must have raw materials and these raw materials must be purchased in foreign markets. With the fall of the mark Germany's currency has lost its purchasing power in the markets of the world, and in consequence she is now finding it difficult to secure the necessary raw materials for her industries. Her industries are slowing down; smokeless chimneys are beginning to appear; unemployment is growing, and the jobless are on the increase. If this process continues and large masses are thrown out of employment, distress is certain to come. The working people have no savings laid by for food and clothing when unemployment comes. Distress and discontent are therefore beginning to make their appearance among the working people. They cannot and will not see their families suffer from hunger and cold and remain complacent. Distress leads to desperation and desperation to revolution.

Successful revolutions, however, never spring from the masses alone. Brains are nec-

essary for leadership if revolutions are to succeed. And it is precisely this intellectual leadership that is now in process of preparation. The people who have suffered the most in Germany, as well as in other European countries, are certain intellectual groups who before the war lived by their investments. In former times their income was sufficient to enable them to live in affluence and luxury. To-day their returns, due to a depreciated currency, are not sufficient to purchase even the necessities of life. There are many university people and civil servants with fixed salaries whose incomes have not kept pace with living demands who are suffering likewise. Many of Germany's intellectuals are being crushed between a falling currency and a rising cost of living. They are being ground to pieces. They are coming to feel that the present order is intolerable and cannot and ought not to be endured. They are being prepared by poverty for revolution. If the industries of Germany are forced to close for want of raw materials, if large masses of the people are thrown out of employment, with no income to face the demands for food and clothing, then look out for revolution. If revolution comes, it will not come out of Russia, but it is likely to partake of the character of the Russian

revolution. Confusion, chaos, and anarchy will come. Germany will go down and the greater part of Europe will go down with her. From this there can be no escape.

Look at the plight of France if Germany collapses. I have already called attention to the almost unbearable financial burden she is carrying as the result of the war. She has never asked Germany to bear a penny of this load. She has other burdens which she has been bearing on Germany's behalf. In the last four years she has borrowed and expended, approximately, 100,000,000,000 francs upon the restoration of her devastated regions and the care of her war dependents. By the terms of the treaty of Versailles, Germany was required and agreed to reimburse France for this outlay, but up to the present time Germany has not paid a single sou in cash on these items. For four years the French have been carrying Germany's load in addition to their own. They cannot carry the two loads much longer. France must have relief or be crushed under the double burden which she is carrying. If Germany goes down, it is difficult to see how France can escape financial disaster. If the French seem to be insistent and persistent that Germany shall make good her promised reparation, remember France is

fighting for her financial life. If Germany fails, France is lost.

If Germany collapses, Eastern Europe, Southeastern Europe, Central Europe, and Western Europe will collapse with her—whether Northern Europe can escape is uncertain. The picture is a dark one. Slowly and surely its somber shades are being painted in. Whether Europe can be saved from disaster no one can safely say. Some hope, many fear; all await the future with anxiety.

THE MOSLEM MENACE

There is another aspect of the European situation that is equally sinister and menacing. I refer to the cloud that has arisen in the Near East. When the Great War closed, Turkey was broken and seemed unlikely ever to come back again. One of the satisfactions that came to many Americans was the thought that the Turk was out of Europe—bag and baggage—and for all time. Such hopes, however, were doomed to disappointment. Four years have passed and the Turk has come back stronger than he has been for a century. He has swept the Greeks out of Asia Minor, and from Smyrna into the sea. He has backed England, Italy, and France off the Straits and is dictating the terms of peace to his former

conquerors. The fickleness of war and the disappointments of peace were never more strikingly demonstrated than in the "come back" the Turks have staged. The threatening element in the situation is not the Turk but what is behind him. If England and France and Italy had had to deal only with the forces of Mustapha Kemal, they would have made short work of them. They would have been told to stay in Asia, and there they would have stayed. What gives power to the Turk is the fact that he is sustained and supported by a practically solid Mohammedan world of 250,000,000 people. From India to Morocco the Moslems are united. They are powerful, arrogant, and determined. In spite of their political divisions and racial differences their faith is one. And that faith is the unifying and moving power in the Moslem world. When the news of Kemal's victory in Smyrna was flashed over the world every Mohammedan mosque was crowded with worshipers giving thanks for the victory that had come to Allah. In the Moslem stronghold of Alexandria a great procession was organized and the followers of Mohammed paraded the streets of the city carrying a broken crucifix at the head of their procession. Turkey's victory was hailed as the triumph of the cres-

cent of Mohammed over the cross of Christ. Turkey is a Moslem spearhead thrust at the heart of Europe, a constant menace and threat.

So long as Europe is united and orderly and powerful, it has nothing to fear from the Moslems; it is abundantly able to protect itself from any threat that may arise from that source. But if disorder and chaos come, then look out for another Moslem drive such as carried the followers of Mohammed to the gates of Vienna three centuries ago. At present this cloud in the Near East is no bigger than a man's hand, but if collapse comes to the Continent, this cloud may become a deluge—then God help Europe.

It is a horribly dark picture—may it never come true. But whether it comes true or not, the conditions are there that make it possible. Europe must be saved. Christian civilization is at stake, and every available resource must be brought into play to save it from disaster. It must not be permitted to go down.

SAVING EUROPE

Europe cannot save itself. It has neither the resources, the statesmanship, nor the morale. Europe is essentially an economic and social unit and must be considered and saved as a

whole, if it is to be saved at all. It stands or falls together. It is only by thinking of Europe as one and working for its salvation as a whole that it can be saved. And it is here that one of the most serious obstacles arises. Every nation, sensing its own danger, is trying to save itself. None is able to forget its own interests and think of Europe as a whole. Every conference thus far has failed because of this. Every government has to face every problem and weigh every issue from the standpoint of its effect upon its own affairs. None is in a position to put aside its own interests and see the problem of the Continent as a whole. Some power must be found whose position is so secure that it does not need to think of itself, some power that can meet the issues of the hour in a large, unselfish, and idealistic fashion, some nation that is powerful enough and resourceful enough to command the confidence of Europe—a power that has the moral authority to lead the countries of Europe out of chaos back to order, out of darkness into light. There is only one nation that has the moral and the economic position enabling it to do this, and that is the United States. We can save Europe if we will, and there is no other power in sight that can. Europe does not need

America's charity so much as she needs her constructive statesmanship.

If Europe is to be saved from the disaster that threatens it, certain constructive steps must be taken :

REPARATIONS

First. The question of reparations must be restudied for the purpose of determining definitely what Germany can and must pay. It is not a question of what Germany ought to pay. That cannot be fixed. The suffering caused by her cruel and wanton aggression cannot be computed. The purpose of restudying the question of reparations is not to make reparation easy for Germany, but to make it possible. Her obligations must be fixed at the maximum of her ability and when fixed, Germany must be made to pay.

AN INTERNATIONAL LOAN

Second. The money must be secured by which Germany can begin her own rehabilitation and by which she can also begin meeting her obligations to France and Belgium and her other creditor countries. This can only be secured by an international loan. Such a loan cannot be secured on German credit alone. The money markets of the world are

closed against her. She must have help if the cash is to be forthcoming. There is one way by which such a loan can be raised. If the creditor countries of Germany, those that will benefit by such a loan, will jointly put their credits behind the credit of Germany as security, the money can be raised. If England and France and Belgium and Italy and the other beneficiary nations will underwrite an international loan for Germany, its success is assured. Otherwise, it is doubtful. Such a joint underwriting will do more than simply secure the money that Germany needs for her own rehabilitation and for the meeting of her obligations to her creditors. It will assure the unity of the Allies and their united pressure upon Germany until her obligations are fulfilled.

CANCELLATION OF DEBTS

Third. The interallied debts must be cancelled. When America entered the war she loaned Great Britain and France and the other allied countries approximately ten billions of dollars. This loan still remains unpaid. Recently Congress passed an act requiring the President to demand the repayment of these loans with interest within twenty-five years. Congress has done many

things that are not a credit to its sagacity, and this is one of them. The allied countries cannot pay, and we might as well recognize it now as later. It is impossible to collect these debts within the next twenty-five years, if ever. To ask France, for instance, to add four billion dollars to the obligations which she is already carrying is to put upon her a burden that is impossible for her to carry. To force her to attempt it means breaking the financial back of our sister republic. And God knows the French have suffered enough without America adding to her burdens.

In my judgment the United States ought not to ask her allies for repayment of these loans, and for these reasons:

America was making money while the Allies were spending it. The first three years of the war were the most wonderful period of prosperity in the history of our country. The Comptroller of the United States Treasury, addressing the American Bankers' Association in the summer of 1917, declared that so great had been the prosperity of our country in the three previous years that if we were to withdraw from the amount of money then (1917) on deposit in our American banks, an amount equal to the combined resources of the Bank of England, the

Bank of France, the Bank of Spain, the Bank of Switzerland, the Bank of the Netherlands, the Bank of Norway, the Bank of Sweden and the Imperial Bank of Japan, we would still have left on deposit in our American banks more money than we had in them at the beginning of 1914. Europe's suffering was the source of America's prosperity. The money we loaned to our Allies was money made, for the most part, through the suffering of our Allies.

The Allies were shedding blood while America was making money, and they were shedding it for America's sake as well as their own. The fundamental issues of the war were the same in 1914 as in 1917. They did not change from 1914 to 1918. Democracy was as much endangered when Germany invaded Belgium as when her submarines threatened America's shipping. Civilization was as much at stake when the *Lusitania* went down as when the *Arabic* and the *Essex* were sunk later. Morally it was as much America's fight in 1914 as in 1917 when we entered the conflict. Yet for three years we stayed out of the conflict and our Allies fought the fight for civilization without asking America for a dollar or for a man.

When, finally, we entered in 1917, the Allies

were bankrupt and we were unprepared. They said to us in substance, "You put up the money; we will put up the men until you can come in." We put up ten billions of dollars and they put up ten millions of men. And for twelve months after we had made the fight ours by official declaration of war the allied soldiers fought our fight, and bore the brunt of battle in our behalf as well as their own. Finally, when we were able to put our men into the fighting, our resources turned the tide and the enemy was crushed. When the war ended the Allies staggered out of it battered and broken and bled white. France alone lost fifteen hundred thousand of her sons, seven hundred thousand more were permanently mutilated, and three million others bore in their bodies the wounds of war. This was the contribution of life that France made to save civilization and the world. All the money we loaned our Allies cannot bring back a single son of France who died in that awful struggle. All the money we possess cannot make a single mutilated man whole again. When you put the money we loaned into one side of the scale and the life our Allies sacrificed in the other, the scales tip but one way. There is a debt we owe our Allies that we can never repay, and we do well to recognize it.

In the light of the moral values involved there is only one thing that America can do with good grace, and that is to cancel the loans we made that our Allies might carry on.

DISARMAMENT

Fourth. Europe must disarm. There can be no balancing of budgets, no stabilizing of exchanges, no reduction of taxation, no economic restoration, no permanent peace or promise of peace until Europe delivers itself from the burden and the threat of war. Why, then, does not Europe disarm? For the same reason that America does not. It does not dare to.

Look at the situation in France. Twice in fifty years she has been attacked, her country overrun and her sons slain. Eight times in that period she has been threatened with war. The French feel it is only a question of time when Germany rehabilitated will leap again at the throat of France a third time and that time for vengeance and final destruction. The French know that Germany has nearly double their population, nearly twice their resources, and, because of her more rapid increase in birth rate, within a generation Germany can put three men into the field for every one that France can place in uniform.

Before the war France had an alliance with Russia and with Great Britain, and those alliances saved her in 1914. To-day she has an alliance with neither. She stands isolated and alone, dependent upon her own strength for her security. That is why France does not dare to disarm.

The French have disarmed as far as they dare to go. In the last three years they have cut the term of military service in two. They have reduced their military and naval budget by seventy-two per cent. They have two hundred thousand fewer men under arms to-day than they had before the war. France's military and naval budget in 1922 was less than one half the military and naval budget of the United States. France would disarm completely and instantly if she could be assured of protection against her enemy. In fact, there is not a nation on the Continent that would not disarm immediately and gladly if it could be guaranteed its national security. The crux of this whole disarmament question is the question of guarantees. I can sum up the disarmament situation in three sentences, two of which will be self-evident:

War is inevitable without disarmament.

Disarmament is impossible without guarantees.

Guarantees to be effective and satisfactory must have America as one of the guarantors.

The governments of Europe do not trust one another, but they do trust America. They believe in our word. What we pledge to do they know we have the power to fulfill. Where America is ready to lead they are ready to follow.

WORLD CONFERENCE

If our government would call a world conference at Washington, to include among other nations Russia, Turkey, and Germany, and would make the following proposals—

1. That the nations should agree together to such a standardization and reduction of military and naval forces as would limit them to the minimum required for police protection.

2. That each nation should pledge itself to respect the rights of every other nation and refrain from attack or threat of attack upon any other nation.

3. That in the event that one nation attacked or threatened to attack another all the other nations should take joint action against the aggressor—

Every nation in the world would follow America's leadership and disarmament would come.

If in connection with and as part of such a world conference there were assembled a group of economic experts to study the question of reparations, of international loans, and interallied debts, out of such a conference would come solutions that would start the world on the way to peace and prosperity again. Seldom, if ever, has any nation been confronted with so great and providential an opportunity to serve humanity as confronts America to-day.

AMERICAN PARTICIPATION

I know that this is a hard gospel for many Americans. Some have become so enamored of national isolation that they look with abhorrence upon anything that savors of American participation in world affairs. When I arrived in America some time ago, I said to one of my preacher friends: "What is the attitude of America toward Europe?" He looked me in the eye and replied: "Damn Europe! Let her stew in her own juice. America has done enough! That," said he, "is the attitude of big business." I thought he was mistaken then; I know he is mistaken now. That sentiment does not represent the heart of America at the present time.

Nothing could be more unsound eco-

nomically than for America to allow Europe to "stew in her own juice." America's prosperity rises or falls to that of Europe. The United States has become a great producing nation. Our output surpasses our capacity to consume. We must have a foreign market for our surplus, otherwise our surplus comes back into our own markets. Prices are forced down, profits are sacrificed, industries are shut down, working men are thrown out of employment, earnings cease, and distress and discontent follow. When Europe suffers America suffers with her. On the other hand, so great is Europe's need that she could consume the world's surplus production for a generation at least. If America had the sagacity to assist in Europe's rehabilitation, she would find a market for all our surplus, and point the way to a prosperity the like of which for magnitude even America has never known.

There is a moral element in the situation we must not forget. Every country, save one, came out of the war bankrupt in money and bankrupt in men; America came out of the war with her financial resources untapped and her man-power practically untouched. Our productive power and our financial resources are larger than ever before in our history.

We are fifty billion dollars richer than we were before the war. Over forty per cent of the accumulated wealth of the world is possessed by the United States. Never was a nation so richly favored of God as America.

Why has Providence so bountifully provided for America? Is it that we may surround ourselves with luxury and enjoy the blessings of a generous Providence while the rest of the world suffers in sorrow and rots in poverty! I do not believe the Almighty has so blessed America, merely for her own enjoyment. He gives to nations as he gives to individuals, for the benefit of others, and not for themselves alone. "To whom much is given, from him is much required." That is the fiat of God; that is the law of the universe. There is one parable that we need to read and reread in these crucial days, and that is the parable of the man whose ground produced beyond the capacity of his barns to contain. But instead of sharing his prosperity with his needy neighbors, he said to himself, "I will tear down my old barns, I will build larger ones and I will gather my crops into them—I will say to my soul: 'Soul, thou hast much goods laid up for many years in store—take thine ease—eat, drink, and be merry.' But God said unto him, 'Thou fool—this

night shalt thy soul be required of thee.' ” And it was. Then he learned that what he had was not his own. Selfishness never gives security. Isolation never gives immunity from responsibility. That's the lesson America must learn.

In those dark and trying days of '17, when we felt that civilization was at stake and the world itself was in peril, we laid everything we had of property and life upon the altar for humanity. Those were days when America's soul shone forth in its true greatness and glory. We found our soul in the war—we must not lose it in peace.

America cannot remain out of Europe—she has too priceless a treasure there. Fifty thousand of the noble boys we sent across the sea never came back. They are sleeping now beneath the soil their blood enriched to save. They died at America's behest that America and the world might live. Their task is as yet unfinished. The world is still to be saved. It is to their unfinished task that we must now dedicate ourselves anew. Once more their appeal comes across the sea:

“To you from failing hands we throw
The torch; be yours to hold it high.
If ye break faith with us who die,
We shall not sleep, though poppies grow
In Flanders field.”

We are not only confronting a Continent in need; we are facing our own dead. It is they, who, together with Almighty God, are challenging America to return to Europe in this most fateful hour in the history of the world.



